Calendar No. 281

101ST CONGRESS *1st Session*	SENATE	REPORT 101-154

AUTHORIZATION OF APPROPRIATIONS FOR THE EXPORT ADMINISTRATION ACT OF 1979

REPORT

OF THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

TO ACCOMPANY

S. 1705

SEPTEMBER 29 (legislative day, SEPTEMBER 18), 1989.—Ordered to be printed

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Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs, submitted the following

REPORT

HISTORY OF THE LEGISLATION

On September 20, 1989, the Senate Banking Committee marked up and ordered to be reported a bill to authorize appropriations of $42,284,000 for fiscal year 1990 to implement the Export Administration Act of 1979.

BACKGROUND

The Export Administration Act of 1979, as amended, constitutes the basic authority for controlling the export from the United States of civilian goods and technology which would make a significant contribution to the military capabilities of East Bloc countries if diverted to military applications. The act specifically authorizes the President to regulate exports for the purposes of (1) restricting exports to potential adversaries that would prove detrimental to the national security of the United States; (2) furthering the foreign policy of the United States and fulfilling its international responsibilities; and (3) protecting the domestic economy from the excessive drain of scarce materials and reducing the inflationary impact of foreign demand.

The committee bill extends but otherwise makes no changes to these basic authorities.

AUTHORIZATION

The authorization of $42,284,000 for fiscal year 1990, of which $15,334,000 shall be available only for enforcement and $26,950,000 shall be available for all other activities under the Export Administration Act, reflects the administration's request.

EXPORT MARKET EFFICIENCY STRATEGY

An amendment was adopted in the Banking Committee markup on September 20 requiring the Secretary of Commerce to develop a 5-year export strategy and submit a report to Congress by October 1, 1990, describing the strategy. The purpose of the amendment is to require the Secretary to develop a long-term strategy for utilizing the resources of the International Trade Administration in a manner which will have the greatest positive impact on increasing U.S. exports, particularly those of small- and medium-sized businesses.

In preparing the report on the market development strategy, the committee believes the Secretary should consider, but not limit the report to, the following specific questions:

(1) How can the activities of the Assistant Secretary of Commerce and Director General of the U.S. and Foreign Commercial Service (U.S.&F.C.S.), and the Assistant Secretaries of Commerce for International Economic Policy and Trade Development be better coordinated to eliminate duplicative activities and improve and increase information to U.S. exporters?

(2) What steps can the Assistant Secretary of Commerce and Director General of the U.S.&F.C.S. take (a) to increase the number of U.S. firms, particularly small- and medium-sized, exporting products overseas; (b) to improve the Service's system of gathering and disseminating in a timely manner export leads to U.S. exporters; (c) to improve coordination between domestic and foreign offices; (d) to improve the services available to businessmen at overseas posts; and (e) to eliminate any unnecessary impediments to U.S. exports such as excessive paperwork or regulations?

(3) What steps are the Assistant Secretary of Commerce and Director General of the U.S.&F.C.S. and the Assistant Secretary of Commerce for Trade Development taking to assist the efforts of States to increase exports and to increase Federal-State cooperation?

The committee bill requires the Commerce Secretary, in his first annual report to Congress, to consider the best means to establish and maintain within the U.S.&F.C.S. a one-stop shop which would make available information on export services from all U.S. Government agencies. The agencies should include but are not limited to the Departments of Commerce, State, and Treasury, the Overseas Private Investment Corporation, the Export-Import Bank of the United States, the U.S. Customs Service, the Agency for International Development, and the Trade and Development Program. It is expected that such a one-stop shop would coordinate Federal export activities with those of not-for-profit groups and trade associations involved in promoting exports as well as State, local, and regional export assistance agencies.

SECTION-BY-SECTION ANALYSIS

Section 1—Authorization of appropriations for Export Administration Act of 1979

This section amends section 18(b) of the Export Administration Act of 1979 to authorize appropriations of $42,284,000 to carry out the purposes of the act, of which $15,334,000 shall be available only for enforcement and $26,950,000 shall be available for all other activities under the act.

Section 2—Export marketing efficiency strategy

This section directs the Secretary of Commerce to develop a five-year export strategy and submit a report to Congress not later than October 1, 1990, describing the strategy.

REGULATORY IMPACT STATEMENT

Pursuant to rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the committee has evaluated the regulatory impact of the bill and concludes it would result in no net increase in the regulatory burden imposed by the Government.

CHANGES IN EXISTING LAW

The committee has determined that it is necessary, in order to expedite the business of the Senate, to dispense with the requirements of rule XXVI, paragraph 12, of the Standing Rules of the Senate, with respect to this legislation.

COST OF LEGISLATION

The committee requested a cost estimate of this legislation under the provisions of section 403 of the Congressional Budget Act of 1974. The cost estimate of the Congressional Budget Office appears below:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 22, 1989.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for a bill to amend section 18 of the Export Administration Act of 1979 to authorize appropriations for fiscal year 1990.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: Not yet assigned.
2. Bill title: A bill to amend section 18 of the Export Administration Act of 1979 to authorize appropriations for fiscal year 1990.

3. Bill Status: As ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs, September 20, 1989.

4. Bill Purpose: The bill authorizes appropriations of $42.3 million for fiscal year 1990 for the various programs of the Export Administration within the Department of Commerce. In addition, the bill authorizes such sums as may be necessary for adjustments in salary, retirement, and other employee benefits provided for by law. The authorization level included in the bill is equal to the President's request for the Export Administration.

5. Estimated cost to the Federal Government:

(By fiscal year, in millions of dollars)

	1990	1991	1992	1993	1994
Authorization levels:					
Specified (function 370)	42.3				
Estimated (function 920)	0.5				
Total	42.8				
Estimated outlays	30.1	8.5	4.2		

Basis of estimate: This estimate assumes that the full amounts authorized will be appropriated for fiscal year 1990. The increases for salary, retirement and other employee benefits required by law for fiscal year 1990 are estimated consistent with the Concurrent Resolution on the Budget for Fiscal Year 1990 (H. Con. Res. 106). Outlays reflect historical spending patterns for the ongoing activities of the Export Administration.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: None.

8. Previous CBO Estimate: On June 29, 1989, CBO transmitted to the House Committee on Foreign Affairs a cost estimate for H.R. 2653, a bill to reauthorize the Export Administration for 1990. The authorization level is higher in the House bill, and the estimated costs reflect this difference.

9. Estimate Prepared by: Douglas Criscitello.

10. Estimate approved by: C.G. Nuckols for James L. Blum, Assistant Director for Budget Analysis.

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